



IOWA Centers for Enterprise
Business & Commercialization Services

The University of Iowa

Creating Partnerships Across Iowa

in Economic Development

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IOWA Centers for Enterprise Business & Commercialization Services

*Working
Together*



*Exchanging
Ideas*

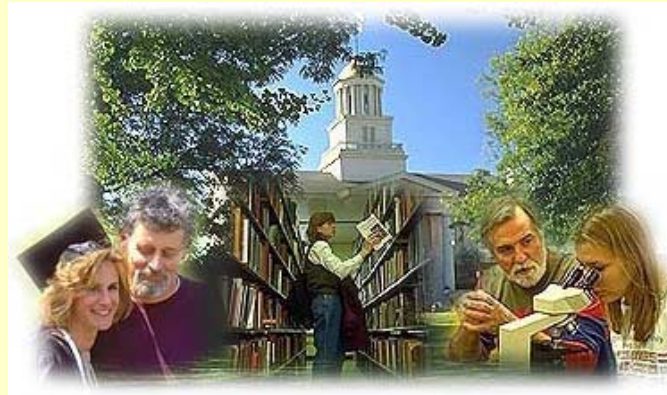
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Four Areas of Economic Impact:

1. Business Enterprise
2. Education and Workforce Development
3. Research and Technology Commercialization
4. Community Engagement and Service



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Business Enterprise of UI

The University of Iowa serves as a major engine of economic activity in the State of Iowa.



- The University provides jobs, directly and indirectly, for over **44,000 Iowans**
- Creates over **\$2.1 billion** in economic activity, and
- Generates **\$137 million** in state tax revenue

Data from UI Regional Impact Study of 2000

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Example of Economic Impact of The University of Iowa



Roy J. and Lucille A. Carver College of Medicine

- The *2,500 Iowa physicians* trained at the UI earned \$532.5 million last year.
- There is an average of 4.7 support staff per physician, a total of **11,750 jobs in Iowa**.
- *Total earnings* for these support staff are an estimated \$358 million.
- *Total direct economic impact* of CCOM-trained physicians in Iowa is more than **\$900 million annually**.

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How are the Economic Development Appropriations used at UI?

- The total Economic Development Appropriation in FY2006 to The University of Iowa was \$247,005.

These funds provide part of the support we need for:

- Operation of a **technology incubator (TIC)** and Oakdale Research Park (ORP) where new businesses can be established.
- Operation of one important “magnet laboratory” - **Center for Advanced Drug Design (CADD)** that is of special interest to attracting and supporting biotech and pharmaceutical companies.

How do the Incubator and Park work?

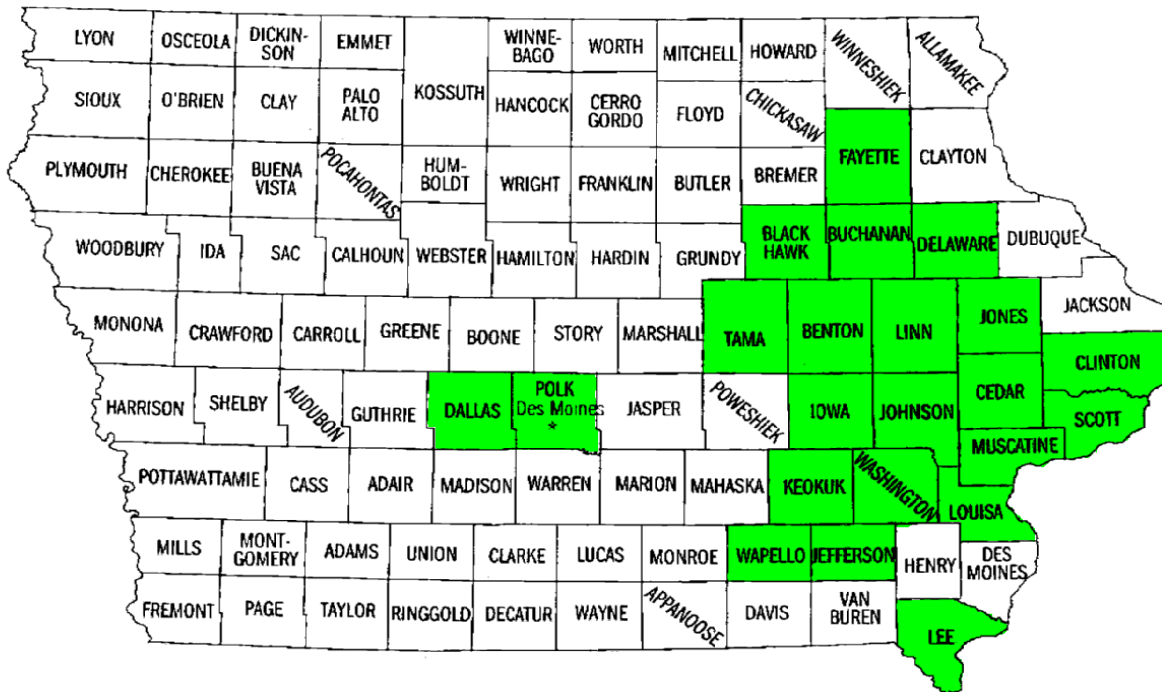


- Our Technology Innovation Center (TIC) is a business incubator that supports very early stage companies, usually ones that are attempting to commercialize a UI invention or new business concept.
- Our Oakdale Research Park (ORP) provides opportunities for the establishment of more mature companies. Such companies are typically attracted to the Park because of research relationships with the UI, including opportunities to utilize unique UI resources.



- **Thirty-eight active Iowa companies** are affiliated with the research park and technology center.
- These companies employ **over 1,248 employees** earning an average salary of **more than \$57,000.**
- Importantly, the employees within these companies represent **a labor-shed that includes 22 Iowa counties and 67 Iowa cities and towns** resulting in a regional labor shed covering approximately one-fifth of Iowa.

Figure 1. FY05 Labor Shed for Affiliated Companies and Labs
UI Oakdale Research Park and Technology Innovation Center





Assuming a State income tax rate of 5%, employees of TIC/ORP affiliates paid approximately **\$4.1 million in State income taxes in FY05.**

One of the state's best
investments



State
appropriations to The
University of Iowa for
Economic Development

State income tax generated from
TIC/ORP employees



- In FY05 the TIC **accepted four new tenant companies** while two firms met their business goals upon “graduating” from the incubator.
- The ORP welcomed two new tenants, Internet services developer Dynamic Broadband, Inc. and Pearson Educational Measurement.

How does the Center for Advanced Drug Development (CADD) serve as a Magnet Laboratory?



- Provides important assistance to companies that are pharmaceutical in nature.
- Provides assistance in determining shelf life and stability of products.
- Iowa's Battelle bioscience report recognized CADD as a key area of strength to attract drug discovery, development, piloting, and production businesses to Iowa.

Recent Success Stories for University of Iowa New Business Development



January 2006

Dermacia, a California based company that specializes in genotype specific skin care products, announced that it has chosen to establish a **National Genecular Institute (NGI)** at the Oakdale Research Park.

- Initial capitalization of NGI is approximately \$10M
- 23 New jobs to the region

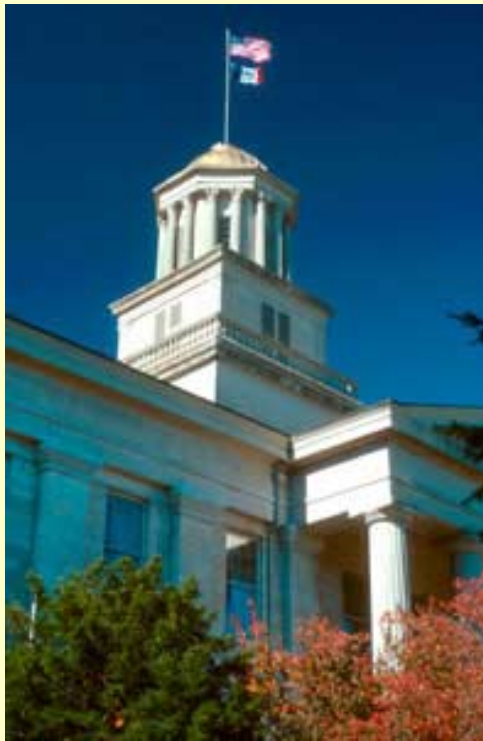


Vida Diagnostics- 11 new jobs

Cellular Engineering
Technologies - 4 new jobs

Pharmacom Corporation – 2 new jobs for a total of 16 jobs

Optherion: Prospective company to build on UI technology to treat macular degeneration, with an **estimated billion-dollar market-** is expected to being operation in July 2006, with eight corporate jobs and an additional 12 in a closely affiliated academic laboratory.



The University of Iowa does and will continue to have a central role in the economic development of the State.

If our State is to position itself to be competitive in the global market for innovation and innovative thinkers, it must have the resources to sustain its innovative infrastructure and enable the continued creation of university-private sector partnerships.

For it is these partnerships that are the foundation of innovation based growth.



Table 1. Economic Development Appropriations to The University of Iowa

UNIT*	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	CHANGE
CADD	\$275,811	\$250,774	\$113,172	\$110,626	\$110,343	\$110,343	
ORP & TIC	\$341,021	\$310,590	\$140,166	\$137,012	\$136,662	\$136,662	
TOTAL	\$616,832	\$561,364	\$253,338	\$247,638	\$247,005	\$247,005	-60.1%

* CADD=Center for Advanced Drug Development

ORP=Oakdale Research Park

TIC=Technology Innovation Center



Table 2. CADD has worked closely with a wide variety of companies involved in pharmaceutical products with special emphasis on:

- start-up pharmaceutical and biotechnology companies seeking to produce clinical material for human evaluation,
- veterinary pharmaceutical companies,
- government agencies (e.g., the Centers for Disease Control),
- academic institutions.

USA			Outside of USA	
Year	Number of Clients	Number of States	Country	Number
2000	30	15		
2001	31	14	Italy	1
2002	28	15		
2003	32	13	Canada	2
2004	25	13	Canada	2
2005	35	15	Canada	2



•TIC/ORP Statistics

- The TIC and ORP make important contributions to the economic growth of the State. Their economic impact benefits not only the city of Coralville and the contiguous cities of North Liberty and Iowa City, but one-fifth of the State representing the TIC/ORP labor shed (see enclosed map). Significant State income tax revenues can be attributed to the presence of TIC and ORP companies and their employees.
- Since 1984, 89 companies have begun at TIC. Of these, 16 tenants are now located at TIC. Of the remaining 73, 38 have left TIC as viable businesses, while 35 ceased operation when they left TIC.
- The ORP currently has six corporate tenants, along with UI anchor laboratories in human health and medicine, industrial biotechnology and driving simulation. Ten other companies have had a presence on the ORP since 1993.
- CADD, the University Hygienic Laboratory, and a number of University of Iowa research programs are also located nearby on the adjacent Oakdale Campus.
- Total capital investment on the ORP since 1989 is approximately \$130 million including about \$50 million in private development, approximately \$70 million in Federal investments, and the rest in other public funds. Privately owned buildings on the ORP are subject to property tax.
- Historically, TIC-affiliated companies have been able to significantly leverage each \$1 of State support for the incubator in the form of investment and/or debt.
- In FY2005 total employment by the 38 active Iowa companies whose origins are with TIC and ORP was 1,248 while the four UI anchor labs at Oakdale reported another 206



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Fireworks over Lake Okoboji

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